



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080
(916) 322-2270 • FAX (916) 324-3984
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Executive Director

STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
March 20-21, 2012
NOTICE AND AGENDA
Meeting Agenda (as of 1:00 PM, 3/20/12)

[Agenda Changes](#)

[Webcast on Tuesday, March 20, 2012](#)

Tuesday, March 20, 2012

10:00 a.m. Board Committee Meetings Convene*

Board Meeting convenes upon Adjournment of the Board Committee Meetings**

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

Board Committee Meetings*

[Legislative Committee](#)Mr. Horton, Committee Chairman

1. 2012 Legislative Bills

• ~~Recommendation for Board Position:~~

~~[SB 1554](#) Abolishes the Franchise Tax Board and transfers its duties and responsibilities to the BOE. Also, transfers the personal income tax wage withholding duties of the Employment Development Department to the BOE.~~

- Staff update on consolidation bills and proposals. (Discussion only.)

[Customer Services and Administrative](#)

[Efficiency Committee](#) Ms. Steel, Committee Chairwoman

1. eReg Project: Status Update and Demonstration

eReg Project Update – eReg will replace the manual paper application process for registering a tax or fee payer. Presentation of a brief demonstration showing new Internet-based registration system from an applicant's perspective.

Business Taxes Committee..... Ms. Yee, Committee Chairwoman

1. Proposed amendments to Regulation 1618, *United States Government Supply Contracts*

Request authorization to publish proposed amendments to conform the regulation to changes in the Federal Acquisition Regulation (FAR).

2. Proposed revisions to sections 901.000 through 906.000 of Compliance Policy and Procedures Manual Chapter 9, *Miscellaneous*

Request approval of proposed procedure manual revisions regarding local and district tax reallocations.

3. Technology Transfer Agreements

Project update and request to initiate an interested parties process.

Board Meeting**

- A. Homeowner and Renter Property Tax Assistance Hearings
There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

B1. Ali Amidy and Guiti Nahavandi, 524954 +

For Appellant: Ali Amidy, Taxpayer

For Franchise Tax Board: Raul Escatel, Tax Counsel
Bill Hilson, Tax Counsel

B2. Tim Barth and Teri Barth, 562294 +

For Appellant: Elizabeth Crockett, Representative

For Franchise Tax Board: Kristen Magers, Tax Counsel
Karen Smith, Tax Counsel

B3. Michael John Klemp, 568733 +

For Appellant: Michael Klemp, Taxpayer

For Franchise Tax Board: Ted Tourian, Tax Counsel
Diane Ewing, Tax Counsel

C. Sales and Use Tax Appeals Hearings
(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

C1. David A. Bartel, 518470 (KH) +

For Petitioner: David A. Bartel, Taxpayer
Abe Golomb, Representative
R. Todd Luoma, Attorney

For Department: Andrew Kwee, Tax Counsel

~~C2.a. Angela Leiva, 514980 (CH) +~~

~~C2.b. Angela Leiva and Abundio Hernandez, 514979 (CH) +~~

~~For Taxpayers: Angela Leiva, Taxpayer~~

~~Joseph R. Castro, Representative~~

~~For Department: Scott Lambert, Hearing Representative~~

C3. A-Plus Storage Containers, Inc., 511088, 511095 (KH) +

For Petitioner: Nick Koretoff, Taxpayer

Robert S. Swanton, Representative

For Department: Andrew Kwee, Tax Counsel

C4. Jamshid Parivash, 494295 (GH) +

For Taxpayer: Jamshid Parivash, Taxpayer

For Department: Erin Dendorfer, Tax Counsel

C5. Mohammad K. Abukhdair, 518237 (KH) +

For Taxpayer: Mohammad Abukhdair, Taxpayer

For Department: Scott Lambert, Hearing Representative

~~C6. James Michael Duggan, 441787 (UT) +~~

~~For Taxpayer: James Michael Duggan, Taxpayer~~

~~For Department: Scott Claremon, Tax Counsel~~

There are no items for the following matters:

D. Special Taxes Appeals Hearings

E. Property Tax Appeals Hearings

F. Public Hearing

F1. Proposed adoption of amendments to Regulation 1685.5,
Calculation of Estimated Use Tax – Use Tax Table +Mr. Heller

Public hearing regarding the adoption of proposed amendments
updating the way the Board annually estimates consumers' use tax
liabilities.

G. Tax Program Nonappearance Matters – Consent

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

G1. Legal Appeals MattersMr. Levine

➤ Hearing Notices Sent – No Response

1. ~~4th St. Saloon, CA L.P., 509271 (JH)~~

2. Saras Wati Rodriguez, 519802 (CH)

3. ~~Capital City Restaurants, Inc., 522640 (KH)~~

4. A-1 Trading, Inc., 513826 (GH)

➤ Petitions for Release of Seized Property

5. Meadow Maid Market, Inc., 596806 (ET)

6. Noreen Khan and Mohammad Raja Riaz, 597385 (ET)

7. Juan Javier Alvarez, 595292 (ET)

8. Asmat A. Nooreldin, 596321 (ET)

9. Apollo's Men's Salon & Spa, LLC, 597386 (ET)

- G2. Franchise and Income Tax Matters Mr. Epolite
- Hearing Notices Sent – No Response
 1. George Ainsworth and Leah Elliot, 574380
 2. Michael Hull, 575417
 - Decisions
 3. Tim Booher, 552539
 4. Michael J. Carolan, 528938
 5. Matthew A. Cooper, 556482
 6. Malcolm Farnsworth, 568602
 7. Edward G. Gassman, 547004
 8. Robyn J. Gordon, 553500
 9. John W. Greer, 556232
 10. Daniel Gutierrez, 529506
 11. John Lange, 559258
 12. Robyn Minner, 511279
 13. Victor Morales-Laimon, 552236
 14. Regina L. Ray, 551179
 15. Denise Robinson, 528683
 16. Jeremy Sanchez, 554024
- G3. Homeowner and Renter Property Tax Assistance Matters
There are no items for this matter.
- G4. Sales and Use Taxes Matters.....Mr. McGuire
- Relief of Penalty/Interest
 1. Hewlett Packard Company, Inc., 599700 (OH)
 - Denial of Claim for Refund
 2. Pacific Community Credit Union, 594019 (EA)
- G5. Sales and Use Taxes Matters – Credits, Cancellations, and RefundsMr. McGuire
- Credits and Cancellations
 1. Robert Clark Thornton, 571620 (AP)
 2. Jay Stacy, 597923 (AP)
 - Refunds
 3. Amgen, Inc., 595475 (AR)
 4. Blower Dempsay Corporation, 561900 (EA)
 5. Metropolitan Finance, LLC, 588257 (AP)
 6. Harley-Davidson Credit Corporation, 557535 (OH)
 7. Pacific Community Credit Union, 594019 (EA)
- G6. Special Taxes Matters Mr. Gau
- Redetermination
 1. Big West of California, LLC, 567166 (MT)

There are no items for the following matters:

- G7. Special Taxes Matters – Credits, Cancellations, and Refunds
- G8. Property Tax Matters
- G9. Cigarette License Fee Matters
- G10. Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

- H1. Legal Appeals MattersMr. Levine
 - Petition for Rehearing
 - 1. [Hung Van Pham, 486918 \(BH\) +](#)
- H2. Franchise and Income Tax MattersMr. Johnson
 - Decision
 - 1. Tae G. Mok and Gyum S. Mok, 472910

There are no items for the following matters:

- H3. Homeowner and Renter Property Tax Assistance Matters
- H4. Sales and Use Taxes Matters
- H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds
- H6. Special Taxes Matters
- H7. Special Taxes Matters – Credits, Cancellations, and Refunds
- H8. Property Tax Matters
- H9. Cigarette License Fee Matters
- H10. Legal Appeals Property Tax Matters

I. Tax Program Nonappearance Matters

(Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

- I1. Property Taxes Matters

There are no items for this matter.
- I2. Offer in Compromise Recommendation.....Mr. Anderson
 - 1. Jason Gilbert Duenas and Jennifer Rae Duenas
- I3. Local Tax Reallocation Matters.....Ms. Nienow
 - Hearing Notice Sent – Appearance Waived
 - 1. [City of Santa Clara, 436735 +](#)

Chief Counsel Matters

- J. Rulemaking

This item is scheduled for Wednesday, March 21, 2012.

There are no items for the following matters:

- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session

The following items are scheduled for Wednesday, March 21, 2012.

- N. Consent Agenda
- O. Adoption of Board Committee Reports and Approval of Committee Actions
- P. Other Administrative Matters

Q. Closed Session

These items are scheduled for Wednesday, March 21, 2012.

Recess - The meeting will reconvene on Wednesday, March 21, 2012, at 9:30 a.m.

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Diane G. Olson, Chief
Board Proceedings Division

- * Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- ** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this item.



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Wednesday, March 21, 2012

9:30 a.m. Board Meeting Reconvenes**

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Special Presentation

- Presentation of Retirement Resolution..... Mr. Horton
Kenneth W. Topper, Chief, Acquisitions Branch,
Administrative Support Division

C. Sales and Use Tax Appeals Hearings

(Contribution Disclosure forms required pursuant to Gov. Code, § 15626.)

C7. Lynnette Marie Shaw, 507974 (JH) +

For Petitioner: Lynnette Marie Shaw, Taxpayer
Rachel J. Sater, Attorney
For Department: Scott Claremon, Tax Counsel

C8. Trimark Raygal, Inc., 257881 (EA) +

For Petitioner: Dirk Hallett, Representative
Dave Rennie, Representative
Dennis Fox, Representative
For Department: Andrew Kwee, Tax Counsel

C9. Edwards, Inc., 522933 (KH) +

For Petitioner: Matthew D. Miller, Attorney
For Department: Scott Lambert, Hearing Representative

Chief Counsel Matters

Items that appear under these matters provide information to the Members and may require Board action or direction.

J. Rulemaking

- J1. *Petition to Amend Property Tax Rule 462.040, Change in Ownership—Joint Tenancies +* Mr. Moon
 Petition to amend and add examples to Property Tax Rule 462.040, *Change in Ownership – Joint Tenancies*, with regards to original transferor status.

Administrative Session

Items that appear under these matters provide information to the Members and may require Board action or direction.

- N. **Consent Agenda** Ms. Olson
 (Contribution Disclosure forms not required pursuant to Gov. Code, § 15626.)

- N1. *Retirement Resolution +*
 • Eileen Frutos (Amendment)
- N2. Approval of Board Meeting Minutes
 • *January 11, 2012 +*
- N3. *2012 Timber Advisory Committee Membership +*
 Approval of the 2012 Timber Advisory Committee appointments.

O. Adoption of Board Committee Reports and Approval of Committee Actions

- O1. Legislative Committee
 O2. Customer Service and Administrative Efficiency Committee
 O3. Business Taxes Committee

P. Other Administrative Matters

- P1. Executive Director's Report Ms. Cazadd
1. CROS Project Update and Actions Mr. Steen
 Progress on the CROS project to replace BOE's two current tax legacy technology systems.
2. *Internal Audit Division Update +* Mr. Wimberley
 An overview of the Internal Audit Division's accomplishments and 2012 plans.

There are no items for the following matters:

- P2. Chief Counsel Report
 P3. Sales and Use Tax Deputy Director's Report
 P4. Property and Special Taxes Deputy Director's Report

P5. Administration Deputy Director's Report + Ms. Houser

1. Headquarters Facilities Update
An update may be provided.
2. San Diego Facility
An update may be provided.
3. Budget Update
An update on the Governor's 2012/13 Budget may be provided.
4. ~~California Children and Families First Trust Fund~~
~~A general update on the funding of Board of Equalization~~
~~Cigarette and Tobacco Products Taxes and Licensing~~
~~Programs.~~

P6. Technology Deputy Director's Report + Ms. Fleming

1. IT Workforce Development/Training
Overview of the IT Boot Camp; developing and strengthening core IT competencies.
2. The Impact of Changing Technologies on Cybercrimes
Overview of key business and tax issues, technologies, and strategies involved in combating cybercrime.

P7. External Affairs Deputy Director's Report
There are no items for this matter.

Announcement of Closed Session Ms. Olson

Q. Closed Session

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code, §§ 6901, 7093.5, 30459.1, 50156.11).
- Q2. Pending litigation: *Schroeder, et al. v. State Board of Equalization, et al.* Sacramento Superior Court Case No. 34-2008-00004467-CU-MT-GDS; *Frankot, et al. v. State Board of Equalization, et al.*, Sacramento Superior Court Case No. 34-2008-00012174-CU-PO-GDS; and, *Allen, et al. v. State Board of Equalization, et al.*, Sacramento Superior Court, Case No. 34-2008-00017014-CU-TT-GDS (Gov. Code, § 11126(e)).
- Q3. Discussion and action on personnel matters (Gov. Code, § 11126(a)).

Announcement of Open Session..... Ms. Olson

Adjourn

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